

## **Debtor's Ex. 6**

FINANCIAL OVERSIGHT & MANAGEMENT BOARD  
FOR PUERTO RICO



David A. Skeel, Jr.  
Chair

Members  
Andrew G. Biggs  
Arthur J. González  
Antonio L. Medina  
John E. Nixon  
Justin M. Peterson  
Betty A. Rosa

Natalie A. Jaresko  
Executive Director

**BY ELECTRONIC MAIL**

July 1, 2021

Honorable Pedro R. Pierluisi Urrutia  
Governor  
Commonwealth of Puerto Rico

Dear Governor Pierluisi Urrutia:

Pursuant to the Resolution, a copy of which is attached hereto as Exhibit A (the “Resolution”), adopted by the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), and Sections 202(e)(4) of the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”), the Oversight Board hereby issues to the Governor this compliance certification that the revised fiscal year 2022 budget for the Puerto Rico Highways and Transportation Authority (“HTA”) identified in Exhibit 1 hereto, as developed by the Oversight Board pursuant to section 202(c)(2), is a compliant budget as set forth in the Resolution.

The Oversight Board looks forward to working with the Commonwealth and HTA to accomplish the requirements and goals of PROMESA for the benefit of the people of Puerto Rico.

Sincerely,

David A. Skeel, Jr.

Andrew G. Biggs  
Arthur J. González  
Antonio L. Medina  
John E. Nixon  
Justin M. Peterson  
Betty A. Rosa

Honorable Pedro Pierluisi Urrutia

July 1, 2021

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CC: Natalie Jaresko  
Mr. Omar Marrero Diaz  
Mr. Edwin González Montalvo, PE  
HTA Governing Board

**EXHIBIT A**

**FINANCIAL OVERSIGHT AND MANAGEMENT OVERSIGHT BOARD**

**FOR PUERTO RICO**

**June 30, 2021**

**RESOLUTION CERTIFYING FISCAL YEAR 2022 BUDGET FOR THE PUERTO  
RICO HIGHWAYS AND TRANSPORTATION AUTHORITY**

WHEREAS, on June 30, 2016, the federal Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”) was enacted; and

WHEREAS Section 101 of PROMESA created the Financial Oversight and Management Board for Puerto Rico (the “Board”); and

WHEREAS Section 202(c) of PROMESA establishes a multi-step procedure for the development, review, and approval of budgets for covered instrumentalities of the Commonwealth of Puerto Rico, such as the Puerto Rico Highways and Transportation Authority (“HTA”), providing that (i) the Governor must submit a proposed budget to the Board; (ii) the Board must review the proposed budget and determine, in the Board’s sole discretion, either that the proposed budget complies with the applicable fiscal plan or that it does not, in which case the Board must issue a notice of violation and recommended revisions, giving the Governor an opportunity to correct the violations; (iii) the Governor may then submit a revised proposed budget; and (iv) if the Governor fails timely to submit a proposed budget that the Board determines in its sole discretion is a compliant budget, the Board shall develop and submit to the Governor its own compliant budget; and

WHEREAS, by letter dated February 25, 2021, the Oversight Board, pursuant to Sections 202 (a) of PROMESA, provided notice of the schedule for the developing, submitting, approving and certifying the fiscal year 2022 budget for HTA, which schedule was subsequently revised by the Oversight Board; and

WHEREAS, on May 14, 2021, pursuant to Section 201(c)(1) of PROMESA, the Governor submitted a proposed fiscal year 2022 budget for HTA; and

WHEREAS, on May 27, 2021, pursuant to Section 201 (d)(2) of PROMESA, the Oversight Board certified a fiscal plan for HTA (“2021 Fiscal Plan”) and on May 28, 2021, the Oversight Board provided to the Governor a forecast of revenues to be used in preparing the budget for HTA for fiscal year 2022; and

WHEREAS, on May 28, 2021, pursuant to Section 201(c)(1)(B) of PROMESA, the Oversight provided the Governor a notice of violation for corrective actions of the proposed fiscal year 2022 budget for HTA; and

WHEREAS, on June 9, 2021, pursuant to Section 201(c)(1) of PROMESA, the Governor submitted a proposed fiscal year 2022 budget for HTA; and

WHEREAS the Oversight Board determined that the revised proposed budget for HTA did not reflect a compliant budget as required by PROMESA Section 202(c)(2); and

WHEREAS, the Oversight Board has developed a revised budget for HTA for fiscal year 2022 for submission as a revised, compliant budget for HTA for fiscal year 2022 to the Governor pursuant to Sections 202(c)(2) and 202(e)(4) of PROMESA, which budget is attached hereto as Exhibit 1 (the “2022 Compliant HTA Budget”);

NOW, THEREFORE, IT IS HEREBY RESOLVED THAT, pursuant to 202(e)(4) of PROMESA, the Board shall submit to the Governor pursuant to Sections 202(c)(2) and 202(e)(4) of PROMESA the 2022 Compliant HTA Budget, and such budget shall be (i) deemed to be approved by the Governor, (ii) the subject of a compliance certification to be issued by the Board to the Governor, and (iii) in full force and effect beginning on July 1, 2021.

**EXHIBIT 1:** PUERTO RICO HIGHWAYS AND TRANSPORTATION AUTHORITY'S  
FISCAL YEAR 2022 CERTIFIED BUDGET

**EXHIBIT 1 – REVENUES BUDGET**

**PUERTO RICO HIGHWAY AND TRANSPORTATION AUTHORITY**

**Section I. – Budget Overview**

	<b>FY22 Budget (\$000's)</b>
Toll Fare & Fine Revenues	165,863
Transit Revenues & Other Operating Income	18,039
Operating FTA Funds	20,000
Operating Commonwealth Transfer	-
<b>Total Operating Revenues</b>	<b>203,903</b>
Commonwealth CapEx Funds	236,045
Federal CapEx Funds	270,496
<b>Total Capital Revenues</b>	<b>506,541</b>
Commonwealth Transfer for Emergency Reserve	-
<b>Total Commonwealth Reserve Transfer</b>	<b>-</b>
<b>Total Consolidated Revenues</b>	<b>710,443</b>
Payroll & Pension Costs <sup>1</sup>	(56,384)
Tren Urbano & Feeder Bus Costs	(84,028)
Other Operating Costs <sup>2</sup>	(102,422)
<b>Total Operating Expenses</b>	<b>(242,833)</b>
Federal Highway Construction Program Costs	(174,747)
Non-Federal Highway Construction Program Costs	(108,138)
Emergency Repair Construction Program Costs	(62,767)
Transit Construction Program Costs	(42,062)
Other Capital Costs <sup>3</sup>	(46,867)
<b>Total Capital Expenses</b>	<b>(434,581)</b>
Reserve Deposits	(4,000)
<b>Total Reserve Deposits</b>	<b>(4,000)</b>
<b>Total Consolidated Expenses</b>	<b>(681,414)</b>
<b>Balance</b>	<b>29,029</b>

<sup>1</sup> 'Construction payroll' has been recategorized as a capital expense and is no longer included in this line item.

<sup>2</sup> 'Other construction program expenses' have been recategorized as capital expenses and are no longer included in this line item.

<sup>3</sup> 'Construction payroll' and 'other construction program expenses' are included in this line item.

### TOLL FARE & FINE REVENUES

	<b>FY22 Budget (\$000's)</b>
Toll fare revenue from current toll fare rates	\$132,285
Toll fare revenue from increase in toll fare rates	5,579
Toll fare revenue from new Dynamic Toll Lanes (DTL)	5,500
Toll fare revenue from bi-directional tolling	-
<b>Total Toll Fare Revenues</b>	<b>143,364</b>
Toll fine revenue from existing fine rates	18,342
Toll fine revenue from tiered fine rates	4,158
<b>Total Toll Fine Revenues</b>	<b>22,500</b>
<b>Total Toll Fare &amp; Fine Revenues</b>	<b>\$165,863</b>

### TRANSIT REVENUES & OTHER OPERATING INCOME

	<b>FY22 Budget (\$000's)</b>
Tren Urbano fare revenue	\$7,590
Feeder Bus fare revenue	733
<b>Total Transit Revenues</b>	<b>8,323</b>
Other operating income	9,716
<b>Total Other Operating Income</b>	<b>9,716</b>
Operating FTA funds	20,000
<b>Total Operating FTA funds</b>	<b>20,000</b>
<b>Total Transit Revenues &amp; Other Operating Income</b>	<b>\$38,039</b>

### COMMONWEALTH CAPEX FUNDS

	<b>FY22 Budget (\$000's)</b>
Commonwealth CapEx appropriation	\$53,020
Abriendo Caminos - Phase IV funds	87,000
Rollover state capex <sup>4</sup>	90,000
Local emergency funds	6,025
Capital Commonwealth Transfer	-
<b>Total Commonwealth CapEx Funds</b>	<b>\$236,045</b>

<sup>4</sup> It is estimated that \$42,931 of the rollover state capex funds may need to be reprogrammed to cover HTA's forecasted operational deficit. Such determination shall be made at a later time based on updated budget to actuals information.



### FEDERAL CAPEX FUNDS

	<b>FY22 Budget (\$000's)</b>
Regular FHWA funds	\$174,747
<b>Total Non-ER FHWA Funds</b>	<b>174,747</b>
FHWA emergency funds	52,917
FEMA emergency funds	2,770
<b>Total Federal Emergency Funds</b>	<b>55,687</b>
Regular FTA funds	40,062
<b>Total Transit Federal Funds</b>	<b>40,062</b>
<b>Total Federal CapEx Funds</b>	<b>\$270,496</b>

### PAYROLL & PENSION COSTS

	<b>FY22 Budget (\$000's)</b>
Main salaries (non-construction divisions)	\$(10,670)
Healthcare costs (non-construction divisions)	(1,286)
Christmas bonus (non-construction divisions)	-
Early retirement costs (non-construction divisions)	(6,737)
Other labor costs (non-construction divisions)	(1,274)
<b>Total Non-Construction Salaries &amp; Related Benefits</b>	<b>(19,967)</b>
Pension contributions	(35,759)
Administrative costs	(658)
<b>Total Pension Costs</b>	<b>(36,417)</b>
<b>Total Payroll &amp; Pension Costs</b>	<b>\$(56,384)</b>
<i>Total Payroll &amp; Pension Cost – Including construction payroll</i>	<i>\$(80,670)</i>

### TREN URBANO & FEEDER BUS COSTS

	<b>FY22 Budget (\$000's)</b>
Base fee for Tren Urbano operating contract	\$(48,225)
Other costs under Tren Urbano operating contract	(3,620)
Tren Urbano electricity costs	(8,500)
Tren Urbano insurance costs	(9,129)
Other regular Tren Urbano costs	(68)
COVID-19 special costs	(1,100)
<b>Total Tren Urbano Costs</b>	<b>(70,642)</b>
Base fee for Feeder Bus operating contract	(10,707)
Other costs under Feeder Bus operating contract	(1,408)
Bus rapid transit costs	(1,073)
COVID-19 special costs	(198)
<b>Total Feeder Bus Costs</b>	<b>(13,386)</b>
<b>Total Tren Urbano &amp; Feeder Bus Costs</b>	<b>\$(84,028)</b>

## OTHER OPERATING COSTS

	<b>FY22 Budget (\$000's)</b>
Operational ROW payments	(12,405)
<b>Total Construction-Related Operating Expenses</b>	<b>(12,405)</b>
Variable electronic toll collection fees	(19,082)
Highway electricity costs	(4,000)
Other toll highway administration & maintenance costs	(23,232)
<b>Total Toll Highway Administration &amp; Maintenance Costs</b>	<b>(46,314)</b>
Non-Title III professional fees	(7,776)
Title III professional fees	(12,508)
Discretionary fund management team	(300)
Ancillary revenue management team	(404)
Electricity costs	(918)
Water supply costs	(500)
Other operating costs	(21,296)
<b>Total Other Operating Expenses</b>	<b>(43,703)</b>
<b>Total Other Operating Costs</b>	<b>(102,422)</b>

## FEDERAL HIGHWAY CONSTRUCTION PROGRAM COSTS

	<b>FY22 Budget (\$000's)</b>
Hard costs for regular federal highway construction	\$(139,245)
<b>Total Federal Highway Construction Hard Costs</b>	<b>(139,245)</b>
Federal soft costs for planning & compliance	(35,503)
<b>Total Federal Highway Construction Soft Costs</b>	<b>(35,503)</b>
<b>Total Federal Highway Construction Costs</b>	<b>\$(174,747)</b>

## NON-FEDERAL HIGHWAY CONSTRUCTION PROGRAM COSTS

	<b>FY22 Budget (\$000's)</b>
Hard costs for Abriendo Caminos projects – Phase III & IV	\$(43,900)
Hard costs for other non-federal highway construction projects	(6,256)
Local construction costs	(9,500)
<b>Total Non-Federal Highway Construction Hard Costs</b>	<b>(59,656)</b>
Soft costs for Abriendo Caminos projects – Phase III & IV	(3,063)
Non-federal funded project-linked soft costs	(29,221)
CDBG-DR/MIT state soft costs	(12,731)
Capital ROW payments	(3,467)
<b>Total Non-Federal Highway Construction Soft Costs</b>	<b>(48,482)</b>
<b>Total Non-Federal Highway Construction Costs</b>	<b>\$(108,138)</b>

### EMERGENCY REPAIR CONSTRUCTION PROGRAM COSTS

	<b>FY22 Budget (\$000's)</b>
FHWA funded emergency repair costs	\$(52,917)
FEMA funded emergency repair costs	(3,826)
Local emergency repair costs	(6,025)
<b>Total Emergency Relief Costs</b>	<b>\$(62,767)</b>

### TRANSIT CONSTRUCTION PROGRAM COSTS

	<b>FY22 Budget (\$000's)</b>
Transit construction projects	\$(42,062)
<b>Total Transit Construction Program Costs</b>	<b>\$(42,062)</b>

### OTHER CAPITAL COSTS

	<b>FY22 Budget (\$000's)</b>
Toll optimization costs	\$(21,047)
Other construction program costs	(1,533)
<b>Total Other Highway Construction Costs</b>	<b>(22,581)</b>
Main salaries (construction divisions)	(17,869)
Healthcare costs (construction divisions)	(2,425)
Christmas bonus (construction divisions)	-
Early retirement costs (construction divisions)	-
Other labor costs (construction divisions)	(3,993)
<b>Total Construction Salaries &amp; Related Benefits</b>	<b>(24,286)</b>
<b>Total Other Capital Costs</b>	<b>\$(46,867)</b>

### RESERVE DEPOSITS

	<b>FY22 Budget (\$000's)</b>
Reserve deposits for unforeseen non-Title III litigation costs	\$(4,000)
<b>Total Reserve Deposits</b>	<b>\$(4,000)</b>

**EXHIBIT 1 – REVENUES BUDGET (cont.)**

**ENFORCEMENT OF THE PUERTO RICO HIGHWAY AND  
TRANSPORTATION AUTHORITY FY22 BUDGET**

**Section II** - All appropriations and expenditures authorized in any prior fiscal year are terminated and no disbursement of public funds may be covered by such expenditure authorizations, except: (1) expenditures to carry out capital improvements that have been accounted for and kept on the books; (2) capital expenditures and equipment expenditures with procurement cycles that extend beyond the end of the fiscal year that have been accounted for and kept on the books; (3) the portion of any other expenditures authorized in the Puerto Rico Highway and Transportation Authority (“HTA”) Certified Budget for the fiscal year 2021; and (4) the portion of the appropriations authorized for fiscal year 2021 that have been encumbered on or before June 30 of such fiscal year. This restriction on expenditures authorized in any prior fiscal year shall not apply to: (i) programs financed in whole or part with federal funds; (ii) orders by the United States district court with jurisdiction over all matters under Title III of PROMESA; and (iii) matters pertaining to any consent decree or injunction, or an administrative order or settlement entered into with a Federal Agency, with respect to Federal programs.

**Section III** - The funds allocated to the “Reserve deposits for unforeseen non-Title III litigation costs” budget lines in Section 1 are to be kept in an interest-bearing account (separate from other accounts currently in use by HTA to conduct day-to-day operations). The Executive Director shall make monthly deposits (equal to 1/12th of the total amount) to fund the account as established in Section 1 up to the amounts provided therein. Any expenditure or use of the funds from the reserve account must be made in response to circumstances beyond HTA’s control which cause HTA to miss revenue targets and/or exceed expenditure targets. Such expenditures will require prior express and written authorization from the Oversight Board.

**Section IV** - The funds deposited to the “Reserve deposits for emergencies and unforeseen events” account (Section I of the FY2021 HTA Budget) are to be kept in an interest-bearing account (separate from other accounts currently in use by HTA to conduct day-to-day operations). Any expenditure or use of the funds from the reserve account must be made in response to circumstances beyond HTA’s control which cause HTA to miss revenue targets and/or exceed expenditure targets. Such expenditures will require prior express and written authorization from the Oversight Board.

**Section V** - On or before August 30, 2021, the Executive Director of HTA will provide to the Oversight Board a certification indicating whether there are any unused amounts of the fiscal year 2021 certified budget for items (1), (2), (3), and (4) of Section 2 and, if so, an itemization of such unused amounts.

**Section VI** - Notwithstanding any other statement, no unused budget allotments from any previous fiscal year shall be used by HTA to fund current fiscal year expenditures, except as otherwise expressly authorized in writing by the Oversight Board after June 30, 2021.

**Section VII** - The appropriations approved in this budget may only be reprogrammed with the prior express written approval of the Oversight Board. For the avoidance of doubt, this prohibition includes any reprogramming of any amount, line item or expenditure provided in this budget, regardless of whether it is an intra-agency reprogramming. Reprogramming, also known as reapportionments, may be made into spend concepts and/or objects not explicitly listed in the

FY2022 certified budget resolution as long as such requests are submitted to and approved in writing by the Oversight Board.

**Section VIII** - Pursuant to Section 203 of PROMESA, HTA must submit to the Oversight Board, no later than 15 days after the last day of each month of FY2022, a budget to actual report, along with an explanation of relevant variances as provided in the certified Fiscal Plan. The Oversight Board may determine to provide HTA a template to be used for such reporting, in which case any quarterly budget to actual reports submitted by HTA must be submitted consistent with such reporting template.

**Section IX** - The Executive Director of HTA shall be responsible for not spending or encumbering during FY2022 any amount that exceeds the authorized budget amounts. This prohibition applies to every budget amount authorized herein, including amounts for payroll and related costs. The Executive Director of HTA shall also certify to the Oversight Board by August 30, 2021, that no amount was spent or encumbered that exceeded the authorized budget amount in the certified budget for fiscal year 2021.

**Section X** - The Oversight Board reserves the right to, in its sole discretion, issue a notice to the Governor, pursuant to PROMESA Section 202(a), setting forth a schedule for revising HTA's budget.

**Section XI** - In conjunction with the reports required in these sections, a certification to the Oversight Board must be included stating (1) that no authorized budget amount of any previous fiscal year (except for those covered by the exceptions mentioned herein) has been used to cover any expenditure unless authorized by the express written approval of the Oversight Board.

**Section XII** – The HTA Budget for FY2022 shall take effect on July 1, 2021.